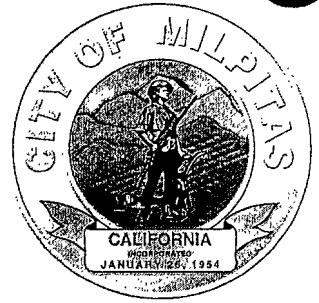


March 21, 2006



The Honorable Joe Coto
California State Assembly
State Capitol Room 2170
Sacramento, CA 95814

Subject: Notice of Support for AB 2435 (Coto): Santa Clara Valley Water District

Dear Assembly Member Coto:

The City of Milpitas supports your AB 2435 to amend the Santa Clara Valley Water District's (District) enabling act (Act). Our organization agrees with the Santa Clara County Board of Supervisors and the District Board of Directors that the existing governance structure no longer serves the interests of the County, the District, or more importantly the voters, residents and businesses of Santa Clara County. Your bill would specifically remove the County Board of Supervisors role in approving the District's budget and appointing District Board Members.

By removing the County's role in District governance, you will ultimately reduce costs to taxpayers and allow the voters to hold their elected officials directly accountable for decisions relating to water resources. Your bill will also make the District's governance structure and budgetary process conform to that of other independent special districts throughout the state.

Milpitas is very pleased that you have agreed to author this legislation, which was developed collaboratively by the County and the District. We are pleased to add our name to the list of supporters for this bill.

Sincerely,

Jose Esteves, Mayor

cc: SCVWD Board of Directors, Fax: (408) 266-2897
Julie Maclay, Santa Clara Valley Water District, Fax: (916) 448-8499
Office of the County Executive County Government Center, East Wing, 11th Floor
Attn: Ms. Katie Brown, Legislative Manager Intergovernmental Relations
70 West Hedding Street
San Jose, CA 95110
Milpitas City Council
Milpitas City Manager
Milpitas Public Works Director/City Engineer
Milpitas Utility Engineering File No. 50.10.2



Santa Clara County Flood Protection and Clean Water Accountability Act Santa Clara Valley Water District Act Amendment (AB 2435)

Overview

The County of Santa Clara (County) and the Santa Clara Valley Water District (District) are jointly pursuing legislation to amend the District's enabling act. The District is an independent special district, first formed in 1929, that provides wholesale water supply, flood protection, groundwater and watershed management services to Santa Clara County. In 1968, legislation was introduced to consolidate all countywide water resource management under a single agency to promote efficiency and uniformity. The legislation called for the County, which up to that point had directed flood control efforts, to maintain involvement with the District by approving its annual budget and by appointing two of its board of directors as at-large members, joining the five elected members.

Today, the County and the District agree that this 38-year-old political arrangement no longer serves the interests of the community at large or either agency. Removing the County's budget review would reduce costs to taxpayers, promote statewide consistency among all independent districts, and increase local elected officials' accountability to voters.

Issue

The current relationship between the County of Santa Clara and the Santa Clara Valley Water District as set forth in the District's Enabling Act does not serve the best interests of the County, the District or the community at large.

Background

Independent special districts operate under the authority and direction of their elected boards. A unique situation exists in Santa Clara County where the County is required by statute to approve the budget of the District and appoint two members of the District's seven-person board. This requirement was established in 1968 during the consolidation of the county-run Santa Clara County Flood Control and Water District with the 1929 voter created Santa Clara Valley Water Conservation District into a single agency: the Santa Clara Valley Water District. *No other independent special district in the five surrounding counties, and statewide* has budgetary approval and appointments to their board by another elected body.

Budget approval by the County does not provide increased fiscal accountability or otherwise serve community interests beyond provisions that already exist in state law. Due to substantial differences in function between the County and the District, the County would need to devote extra staff and resources in order to have a meaningful understanding of the District's budget. This is duplication of effort already performed by the District and an inefficient use of public funds. The current budget process also exposes the County to unnecessary financial liability.

The existing budget approval structure disenfranchises voters by creating confusion and preventing voters from effectively using their ballot to hold elected water district board members accountable for representing their budgetary and water-resources project interests, as called for in the Voting Rights Act.

Finally, the lessons of Hurricane Katrina are clear; there should be one agency responsible and in charge of flood management with clear accountability. The District should have sole budgetary authority over the flood control projects for which it is responsible.

Solution

The District and the County collaboratively propose to amend the District Act to give the District board sole responsibility for approving the District budget. Additionally, the two at-large board member positions currently appointed by the County Board of Supervisors will be eliminated in 2009. Finally, minor amendments will add to the objectives and purpose of the District Act to include preservation of open space within the County and support of the County parks system consistent with the District's other duties.

Summary

- ❖ This legislation would conform the Santa Clara Valley Water District to the budgetary practices of all of the other independent special districts statewide by providing for a board of directors that is independent of another elected body. This would provide accountability to Santa Clara County voters, businesses and residents for services they pay for and deserve.
- ❖ The ultimate beneficiaries of the legislation will be the voters, residents and businesses of Santa Clara County who rely on the District to meet environmental, water supply and flood protection needs.
- ❖ The County Board of Supervisors is responsible for numerous health and human services within the County, which does not give Supervisors the time to become experts in complex water management and environment-related issues.
- ❖ The Santa Clara Valley Water District will continue to provide for annual independent financial audits.
- ❖ In 2005 an independent assessment of water services by the Santa Clara County LAFCO determined that water resources were well managed by the District.
- ❖ Santa Clara County and the Santa Clara Valley Water District are co-sponsoring legislation to amend the District Act to reflect these changes. We respectfully ask that you support AB 2435.